Comm. v. *Goldberg, supra,* the court saying, at p. 109: "* * * every act having for its purpose the prevention of fraud and the punishment of persons who commit fraud necessarily affords protection to the persons who might be defrauded except for the statute." See also note to *State* v. *Baskowitz, supra, Ann. Cas.* 1915-A, 487.

CONSTITUTIONAL LAW—PRIVILEGES AND IMMUNITIES—NEW YORK INCOME TAX.—The New York income tax law (Chap. 627, Laws 1919) provided for deduction at the source of salaries of non-residents in every case where the salary was more than $1,000 per annum. An exemption of $1,000 or more was allowed to every resident. A non-resident was allowed only an exemption based on the amount of income tax he paid in his own state, and then only in case such state allowed similar exemptions for residents of New York. *Held,* the act was invalid under the 'privileges and immunities' clause of the Federal Constitution. Under the known circumstances that citizens of Connecticut and New Jersey (states having no income tax laws), would be allowed no exemptions, this was an unwarranted discrimination against the citizens of those states. *Travis* v. *Yale & Towne Mfg. Co.,* (March 1, 1920) — Sup. Ct. Rep. —.

A state is given great latitude in the manner of collecting taxes from non-residents, (see *Shaffer* v.*Carter, infra*), but there must not be an unreasonable difference in the manner of assessment as between resident and non-resident. *Maxwell* v. *Bugbee,* 250 U. S. 525, (*inheritance tax*). An act giving resident creditors priority over non-resident creditors violates the 'privileges and immunities' clause. *Blake* v. *McClung,* 172 U. S. 239. So also does a statute placing a higher license tax on non-residents than on residents. *Ward* v. *Maryland,* 12 Wall. 418, 430, the court stating that one of the privileges and immunities protected is the right "* * * to be exempt from any higher taxes or excises than are imposed by the state on its own citizens." Although this question has been side-stepped by one court, (*State* v. *Frear,* 148 Wis. 456), yet the decision in the principal case would seem unassailable, once it be admitted that the inequality between residents is neither accidental nor merely occasional. *Maxwell* v. *Bugbee, supra; Amoskeag Savings Bank* v. *Purdy,* 231 U. S. 373.

CONSTITUTIONAL LAW—STATE INCOME TAX—POWER TO TAX INCOME OF NON-RESIDENT.—A statute of Oklahoma laid a tax on the total income of residents from whatever source derived, and taxed that part of the income of non-residents which was derived from property situated within the state. Unpaid taxes were to become a lien on the property of the taxpayer. The exemptions for married persons, etc., were the same for non-residents as for residents. The plaintiff, a non-resident whose income from oil lands within the state was $1,500,000 yearly, claimed that the imposition of the tax was in violation of the 'due process' and 'equal protection' clauses of the Federal Constitution. *Held,* the act was a valid exercise of the state's taxing powers. The fact that a citizen of one state has a right to hold property or carry on an occupation or business in another state is a very reasonable ground for

subjecting such non-resident, to the extent of his business carrried on therein, to a duty to pay taxes not more onerous in effect than those imposed upon citizens of the latter state. *Shaffer* v. *Carter,* (March 1, 1920), — Sup. Ct. Rep. —.

This decision settles a much discussed question. BLACK ON INCOME TAXES, sec. 15. Where the question of residence is not involved, income is taxable irrespective of its connection with interstate commerce. *U. S. Glue Co.* v. *Oak Creek,* 247 U. S. 321. The fact that the creditor is a non-resident does not prevent the taxation of credits in the hands of a resident agent, (*New Orleans* v. *Stempel,* 175 U. S. 309), nor the taxation of bonds and mortgages within the taxing state. *Bristol* v. *Washington County,* 177 U. S. 133. But the operation of a state tax law must be limited to persons, property, and business within its jurisdiction. *State-tax on Foreign-Held Bonds,* 15 Wall. 300. The fact that such a tax as the one in the principal case amounts to double taxation of property within the state does not make it invalid. *St. Louis S. W. Ry* v. *Arkansas,* 235 U. S. 350. Such classifications as are not arbitrary and unreasonable may be made by a state for taxing purposes. *M. C. R. Co.* v. *Powers,* 201 U. S. 245. The fact that different methods are provided for collection from one class than from another does not affect the validity of the law. *Peacock* v. *Pratt,* 121 Fed. 772; *Travis* v. *Yale & Towne Mfg. Co.,* (U. S., 1920) *supra.* But, outside of mere methods of collection, a state income tax, to be valid, must bear equally on residents and non-residents. *Travis case, supra.* See also note L. R. A. 1915-B 569.

DEEDS—CONDITION IN RESTRAINT OF ALIENATION—INVALID, AS REPUGNANT TO INTEREST CREATED.—Plaintiff conveyed the lot in question by a deed which contained provisions that (1) it should not be sold, leased or rented to any person other than of the Caucasian race, nor (2) should any person other than of the Caucasian race be permitted to occupy such property; upon breach the grantor or his assigns to have the right of re-entry. Such restrictions to terminate on January 1, 1930. By mesne conveyances the lot has come to the defendant, a negro. The plaintiff seeks to declare a forfeiture of title for breach of the conditions subsequent. *Held*: These provisions must be construed as conditions subsequent; the first is void as in restraint of alienation; the second, being merely a restriction on the use, is valid. *Los Angeles Inv. Co.* v. *Gary,* (Cal., 1919) 186 Pac. 596.

The court held that the condition against alienation came directly within Sec. 711, Civ. Code Cal., which is as follows: "conditions restraining alienation, when repugnant to the interest created, are void;" that an incident of an estate in fee, which was here purported to be conveyed, is the right of free disposal and transfer; that this condition is, therefore, void, the Code leaving no room for a distinction between partial and total restraints. This court, in substance, affirms the decision in *Title Guarantee Co.* v. *Garrott,* (Cal., 1919), 183 Pac. 470, noted and discussed briefly in 18 MICH. L. REV. 59. The court in the latter case held, in substance, that any restraint on alienation is repugnant to the grant of a fee simple, (the condition there only prohibiting sale to negroes, Chinese or Japanese, and being limited in time), and, in the case at hand, the same principle seems to be adopted. It